QUARTERLY REPORT

*RURAL HEALTH CARE NETWORK
PILOT PROGRAM PROJECT*

WC Docket No. 02-60

Submitted by
Health Information Exchange
of Montana, Inc. (HIEM)
310 Sunnyview Lane
Kalispell, Montana 59901

Project Coordinator:

Charles T. Pearce

Kalispell Regional Medical Center
310 Sunnyview Lane
Kalispell, MT 59901
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Submitted July 30, 2008

1. Project Contact and Coordination Information
   a. Identify the project leader and respective business affiliations
   b. Provide a complete address for postal delivery and the telephone, fax, and e-mail address for the responsible official.
   c. Identify the organization that is legally and financially responsible for the conduct of the activities supported by the award.
   d. Explain how the project is being coordinated throughout the state or region.

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The Health Information Exchange of Montana, Inc. is legally and financially responsible for the conduct of the activities supported by the award.

This project is being coordinated throughout the state and region through collaborative partnerships and agreements with statewide partners who are facilitating complementary network projects. Additionally the Health Information Exchange of Montana maintains Health Information memberships within organizations across Montana seeking to further deploy health information technology and infrastructure, throughout the state, the region and across the country.

2. Identify all health care facilities included in the network.

   a. Provide address (including county), zip code, Rural Urban Commuting Area (RUCA) code (including primary and secondary), six-digit census tract, and phone number for each health care facility participating in the network.
   b. For each participating institution, indicate whether it is:
      i. Public or non-public;
      ii. Not-for-profit or for-profit;

iii. An eligible health care provider or ineligible health-care provider with an explanation of why the health care facility is eligible under section 254 of the 1996 Act and the Commission's rules or a description of the type of ineligible health care provider entity.

St. John's Lutheran Hospital
(non-public, not-for-profit, eligible health care provider)
    350 Louisiana Ave.
    Libby, MT 59923
    406-293-0148
    Lincoln County, Montana
    RUCA: 8
    ZCTA: 10,362

St. Luke's Community Health Center
(non-public, not-for-profit, eligible health care provider)
    107 6th Avenue Southwest
    Ronan, MT 59864
    406-676-4441
    Lake County, Montana
    RUCA: 10
    ZCTA: 6,202

Lincoln County Community Health Center
(non-public, not-for-profit, eligible health care provider)
    711 California Ave
    Libby, MT 59923
    406-293-3755
    Lincoln County, Montana
    RUCA: 8
    ZCTA: 10,362

Pondera Medical Center
(non-public, not-for-profit, eligible health care provider)
    805 Sunset Blvd
    Conrad, MT   59425-0758
    406-271-3211
    Pondera County, Montana
    RUCA: 7
    ZCTA: 3,793

Marias Medical Center
(non-public, not-for-profit, eligible health care provider)
> 640 Park Avenue
> Shelby, MT 59474
> 406-434-3200
> Toole County, Montana
> RUCA: 7
> ZCTA: 5,220

Northern Rockies Medical Center
(Non-public, not-for-profit, eligible health care provider)
> 802 2nd Street Southeast
> Cutbank, MT 59427
> 406-873-2251
> Glacier County, Montana
> RUCA: 7
> ZCTA: 5,220

Glacier Community Health Center
(Non-public, not-for-profit, eligible health care provider)
> 519 E Main Street
> Cutbank, MT 59427
> 406-873-2251
> Glacier County, Montana
> RUCA: 7
> ZCTA: 5,220

North Valley Hospital
(Public, for-profit, eligible health care provider)
> 1600 Hospital Way
> Whitefish, MT 59937
> 406-863-3500
> Flathead County, Montana
> RUCA: 5
> ZCTA: 11,526

Kalispell Regional Medical Center
(Non-public, not-for-profit, eligible health care provider)
> 310 Sunnyview Lane
> Kalispell, MT 59901
> 406-752-1724
> Flathead County, Montana
> RUCA: 4
> ZCTA: 39,274

3.   Network Narrative: In the first quarterly report following the completion of the competitive bidding process and the selection of vendors, the selected participant must submit an updated technical description of the communications network that it intends to implement, which takes into account the results its network design studies and negotiations with it vendors. This technical description should provide, where applicable:

   a. Brief description of the backbone network of the dedicated health care network, e.g. MPLS network, carrier-provided VPN, a SONET ring;
   b. Explanation of how health care provider sites will connect to or access the network, including the access technologies/services and transmission speeds;
   c. Explanation of how and where the network will connect to a national backbone such as NLR or Internet2;
   d. Number of miles of fiber construction, and whether the fiber is buried or aerial;
   e. Special systems or services for network management or maintenance (if applicable) and where such systems reside or are based.

As of close of reporting period ending July 30, 2008, the Health Information Exchange of Montana, Inc. has not yet completed a competitive bidding process or the selection of vendors for any aspect of the project.

4.   List of Connected Health Care Providers: Provide information below for all eligible and non-eligible health care provider sites that, as of the close of the most recent reporting period, are connected to the network and operational.

As of close of reporting period ending July 30, 2008, the Health Information Exchange of Montana, Inc. has no health care providers connected to the network and operational.

5.   Identify the following non-recurring and recurring costs, where applicable shown both as budgeted and actually incurred for the applicable quarter and funding year to date.

As of close of reporting period ending July 30, 2008, the Health Information Exchange of Montana, Inc. has none of the following non-recurring or recurring costs to report for the applicable quarter and funding year to-date.

     a. Network design
     b. Network Equipment, including engineering and installation
     c. Infrastructure Deployment/Outside Plant
          i. Engineering
          ii. Construction
     d. Internet2, NLR, or Public Internet Connection
     e. Leased Facilities or Tariffed Services
     f. Other Non-Recurring and Recurring Costs

6. Describe how costs have been apportioned and the sources of the funds to pay them:
     a. Explain how costs are identified, allocated among, and apportioned to both eligible and ineligible network participants.
     b. Describe the source of funds from:
          i. Eligible and
          ii. Ineligible Pilot Program network participants
     c. Show contributions from all other sources (e.g. local, state, and federal sources, and other grants)
          i. Identify source of financial support and anticipated revenues that is paying for costs not covered by the fund and by the Pilot Program participants.
          ii. Identify the respective amount and remaining time for such assistance.

As of close of reporting period ending July 30, 2008, the Health Information Exchange of Montana, Inc. has no costs to report and has no financial support or anticipated revenues to report for the applicable quarter and funding year to-date.

7. Identify any technical or non-technical requirements or procedures necessary for ineligible entities to connect to the participant's network.

As of close of reporting period ending July 30, 2008, the Health Information Exchange of Montana, Inc. has no technical or non-technical requirements or procedures necessary for ineligible entities to connect to the participant's network to report.

8. Provide an update on the project management plan, detailing:
   a. The project's current leadership and management structure and any changes to the management structure since the last data report; and
   b. In the first quarterly report, the selected applicant should provide a detailed project plan and schedule. The schedule must provide a list of key project deliverables or tasks, and their anticipated completion dates. Among the deliverables, participants must indicate the dates when each health care provider site is expected to be connected to the network and operational. Subsequent quarterly reports should identify which project deliverables. Scheduled for the previous quarter, were met and which were not met. In the event a project deliverable is not achieved, or the work and deliverables deviate from the work plan, the selected participant must provide and explanation.

As of close of reporting period ending July 30, 2008, the Health Information Exchange of Montana, Inc. has no detailed project plan and schedule to report for the applicable quarter and funding year to-date. There have been no changes in the current leadership and management structure since the initial project proposal submitted to the FCC in May 2007.

9. Provide detail on whether network is or will become self-sustaining. Selected participants should provide an explanation of how network is self-sustaining.

As of close of reporting period ending July 30, 2008, the Health Information Exchange of Montana, Inc. has no detail to report on sustainability of this network for the applicable quarter and funding year to-date.

10. Provide detail on how the supported network has advanced telemedicine benefits:
   a. Explain how the supported network has achieved the goals and objectives outlined in selected participants' Pilot Program application;
   b. Explain how the supported network has brought the benefits of innovative telehealth and, in particular telemedicine in services

to those areas of the country where the need for those benefits is most acute;

c. Explain how the supported network has allowed patients access to critically needed medical specialists in a variety of practices without leaving their homes or communities;

d. Explain how the supported network has allowed health care providers access to government research institutions, and or academic, public, and private health care institutions that are repositories for medical expertise and information;

e. Explain how the supported network has allowed health care professionals to monitor critically ill patients at multiple locations around the clock, provide access to advanced applications in continuing education and research and/or enhance the health care community's ability to provide a rapid and coordinated response in the event of a national crisis.

As of close of reporting period ending July 30, 2008, the Health Information Exchange of Montana, Inc. has no detail yet to report on promotion of telehealth and telemedicine by this project throughout the service area for the applicable quarter and funding year to-date.

11. Provide detail on how the supported network has complied with HHS IT initiative:

a. Explain how the supported network has used Health IT systems and products that meet interoperability standards recognized by the HHS Secretary;

b. Explain how the supported network has used health IT products certified by the Certification Commission for Healthcare Information Technology;

c. Explain how the supported network has used resources available at HHS's Agency for HHIN trial implementations;

d. Explain how the supported network has used resources available at HHS's Agency for Healthcare Research and Quality (AHRQ) National Resource Center for Health Information Technology;

e. Explain how the selected participant has educated themselves concerning the Pandemic and All Hazards Preparedness Act and coordinated with the HHS Assistant Secretary for Public Response as a resource for telehealth inventory and for the implementation of other preparedness and response initiatives; and

f. Explain how the supported network has used resources available through HHS's Centers for Disease Control and

Prevention (CDC) Public Health Information Network (PHIN) to facilitate interoperability with public health and emergency organizations.

As of close of reporting period ending July 30, 2008, the Health Information Exchange of Montana, Inc. has no detail to report regarding how the project has complied with HHS IT initiatives for the applicable quarter and funding year to-date.

12. Explain how the selected participants coordinated in the use of their health care networks with the Department of Health and Human Services (HHS) and, in particular with its Centers for Disease Control and Prevention (CDC) in instances of national, regional, or local public health emergencies (e.g., pandemics, bioterrorism). In such instances, where feasible, explain how selected participants provided access to their supported networks to HHS, including CDC and other public health officials.

As of close of reporting period ending July 30, 2008, the Health Information Exchange of Montana, Inc. has no detail to report on how this project has coordinated in the use of health care networks with Department of Health and Human Service, Centers for Disease Control and other public health officials for the applicable quarter and funding year to-date.

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